



### Tip of the Week:

FRS has tools to help you maintain a minimal cash flow consistent with your expenditures. The CPR page shows the Cumulative Cash Drawn Through **\*Month\*** which is the total amount requested through the end of the previous month. Comparing it to the Accrued Cumulative Expenditures total will give you a quick reference to your cash to expenditures. If the Cumulative Cash Drawn Through **\*Month\*** is greater than the Accrued Cumulative Expenditures, you are required to enter an explanation why you have requested more cash than what you have in expenses.

Cash Request page also has the Cumulative Reported Expenditures column to compare each project's expenditures to the Cumulative Amount Requested.

Both pages in FRS display information to help you maintain a minimal cash balance.

### DWD Financial Manual states:

#### **EXCESS CASH**

Excess Cash is an additional amount of cash in excess of what Subrecipients normally need to have on hand for the day-to-day administration of Federal programs. Even though funds may be obligated for specific purposes, the use of the obligated funds is not always immediate; thus if adequate measures are not in place, significant cash balances may accumulate over time in contravention of Federal regulation. Federal regulation states "for non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means"<sup>(1)</sup>

To optimize the cash requirement needs of Subrecipients, the DWD allows Subrecipients to draw down funds two times per week. The DWD has also functionalized its financial reporting system to monitor cash balances of Subrecipients.

In summary, Subrecipients are responsible for managing their cash balances as well as those of their subrecipients. **Excess Cash balances are not acceptable**. In maintaining an optimal mix of cash balances, Subrecipients may take advantage of DWD's proviso that allows Subrecipients to draw cash from the DWD twice per week. Federal cash balances in excess of three (3) days is an existing standard used by Federal agencies in interpreting USDOL's requirements under 31 CFR 205.12 (b)(4) to advance only enough cash to meet actual, immediate cash needs.

Excess Cash is monitored monthly, and is reviewed during DWD's annual financial monitoring. The DWD may impose additional restrictions on cash flow if any Subrecipient shows a recurring problem with Excess Cash.



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